

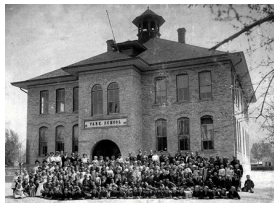
# CITY OF DRAPER, UTAH

POPLUAR ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDING - JUNE 30, 2020

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## OUR COMMUNITY



Incorporated in 1978 and nestled in the southwest corner of the Wasatch Front mountain range, Draper City is a community of more than 48,000 residents bridging two metropolitan areas – the Salt Lake City metropolitan area and the Provo-Orem metropolitan area.

Draper was first settled in 1849 and remained a small farming community until the late 1990's when its population began growing exponentially. Known as the 'egg basket' of America in the 1940's, Draper continues to value its agricultural and farming heritage while embracing a vibrant urban lifestyle.

Today, Draper City includes over 30 square miles and is now the 16<sup>th</sup> largest city in the state of Utah. With over 4,500 acres of open space in the City, this community has become nationally renowned for its dedication to outdoor recreation. It is a place many are proud to call home.

The City is served by more than 270 full time equivalent employees (FTEs) providing high quality public safety, culinary water, storm drains, solid waste collection, roadway construction and maintenance, parks and recreation facilities, street lighting and many community and cultural events.



## LETTER FROM THE FINANCE DEPARTMENT

We are proud to present this year's version of the Popular Annual Financial Report (PAFR). The information found within this report is a mixture of information presented in the FY20 independently audited Comprehensive Annual Financial Report (CAFR) and the current FY21 budget. This report is unaudited.

The City strives to meet the highest standards in financial reporting and received the Certificate of Achievement of Excellence in Financial Reporting award for the report issued for FY19.

This year the City has experienced a lot of changes as the impacts of COVID-19 have rippled through our local economy. This report only covers the financial impact through June 30, 2020. It is now December and we are still in a position in which there are many unknowns ahead. That being said, the City ended the fiscal year in a strong financial position and has only added to our confidence over the past several months. The City expects to be able to continue to provide the high caliber services that you have come to know.

As you read this report, note that all sources of information not identified within this report can be found in the CAFR. This report, as well as the CAFR can be found at [www.draper.ut.us](http://www.draper.ut.us). On behalf of the City, we thank you for reading this report. We welcome any input or comments you may have. Also, be sure to follow us @drapercity on Twitter and on our Facebook page for the most up-to-date information.

Sincerely,  
Jared Zacharias, CGFM  
Assistant Finance Director  
(801) 576-6573



## ELECTED OFFICIALS AS OF DEC 2020

Mayor	Troy Walker
Council Member	Mike Green
Council Member	Tasha Lowery
Council Member	Fred Lowry
Council Member	Calvin Roberts
Council Member	Marsha Vawdrey

## INCLUDED IN THIS REPORT

- Page 2: General Information
- Page 5: All Funds (Government-Wide) Financials
- Page 6: General Fund Financials (Tax Supported)
- Page 8: Business-Type Funds Financials (Fee Supported)
- Page 9: Performance Statistics

## DEMOGRAPHIC INFORMATION

<i>Fiscal Year</i>	<i>2019</i>	<i>2020</i>
<i>Population</i>	48,319	48,587
<i>Population per sq. Mile</i>	1,604	1,613
<i>Residents 18 Years and Older</i>	32,422	33,136
<i>Median Home Value</i> <i>(Source: Salt Lake and Utah County Assessors Office)</i>	\$510,900	\$586,700
<i>Average AGI (Source: Utah State Tax Commission)</i>	\$107,374	\$112,067
<i>Draper City Employees (FTEs)</i>	263	271
<i>Average Unemployment Rate</i>	3.0%	4.0%

## TOP 5 PRINCIPLE EMPLOYERS

<i>Employer</i>	<i># of Employees</i>
<i>eBay, Inc.</i>	1,000-1,999
<i>Health Equity</i>	1,000-1,999
<i>Utah State Prison</i>	500-999
<i>Progressive Finance, LLC</i>	500-999
<i>Coca-Cola Bottling Corp.</i>	500-999

## TOP 5 PROPERTY TAX PAYERS

<i>Tax Payer</i>	<i>Assessed Taxable Value</i>
<i>LD Bowerman Investments</i>	\$89,367,400
<i>Harbert MSB Lone Peak</i>	\$82,987,500
<i>Women's Hospital Indianapolis</i>	\$70,899,100
<i>Coca-Cola Bottling Corp.</i>	\$69,402,200
<i>Miller Family Real Estate, LLC</i>	\$68,029,700

## CITY OFFICES, LOCATIONS & HOURS

Draper City Hall  
1020 E Pioneer Rd (12400 S)  
Draper, Utah 84020  
(801) 576-6500

Draper Public Works  
72 E Sivogah Ct (14525 S)  
Draper, Utah 84020  
(801) 576-6557

Hours: Monday - Friday  
7:00 am - 3:30 pm

Fire Department Admin. Office  
Fire Station # 21  
780 East 12300 South  
Draper, UT 84020  
(385) 557 -2805

Draper Police Department  
1020 E. Pioneer Rd.  
Draper, UT 84020  
(801) 576-6314 - Admin.  
(801) 840-4000 - Non Emergency  
Dial 911 - Emergency

Animal Control  
12375 S. Vista Station Blvd. (550 W.)  
Draper, UT 84020  
(801) 576-6345  
Shelter Hours: Monday - Friday  
9:00 am - 4:00 pm

ANNUAL SALES TAX AMOUNT PER RESIDENT  
Based on FY19 data as reported in the CAFR reports.



## DRAPER'S FORM OF GOVERNMENT

Draper City operates under the council-manager form of municipal government. The City Council is the legislative branch of the City government and is composed of the Mayor and five Council members. The term for each of these elected offices is four years. The City Council is responsible for passing ordinances, adopting the budget, appointing the City Manager and other City officials required through state or local policy to be appointed by Council. They are also responsible for appointing committees.

The City Manager serves as the chief administrative officer responsible for directing the day-to-day operations of City affairs, and the implementation of City Council ordinances and policies. As the City Council's chief advisor, the City Manager prepares a recommended budget for the Council's consideration and recruits, hires and supervises City staff.

## WHAT IS THE GENERAL FUND?

The general fund is the primary operating fund of the City and it accounts for the resources that are used to pay for the services traditionally associated with local government.

Draper City's funding comes from two major sources: taxes and fees. The majority of services provided by the City are financed through tax revenue.

Five categories of fees collected are taxes, licenses & permits, charges for services, fines, and miscellaneous revenues.

## FUNDS ADMINISTERED BY THE CITY

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the City's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

### Tax Supported Funds

(Governmental):

- General (Chief Operating Fund)
- Municipal Building Authority
- Capital Improvement Projects
- Fire Impact Fee
- Transportation Impact Fee
- Park Impact Fee
- Police Impact Fee
- Redevelopment Agency
- Traverse Ridge Special Service District
- Cemetery permanent fund

### Fee Supported Funds

(Business Type):

- Water
- Storm Water
- Solid Waste
- Ambulance

## MISSION STATEMENT AND VALUES



### Independent Audit

An independent audit of the City's finances was conducted by Hanson, Bradshaw, Malmrose and Erickson, P.C., and a clean opinion statement was issued. Complete financial information including the city's Comprehensive Annual Financial Report (CAFR) can be found at [www.draper.ut.us/finance](http://www.draper.ut.us/finance).



## GOVERNMENT WIDE HIGHLIGHTS

The assets of the City exceeded the liabilities of the City at the close of FY20 by \$566,341,805 (net position), which is up \$9,878,709 over last year. Of this amount, \$80,774,162 is in unrestricted net position which is available to meet ongoing obligations.

Net position in the governmental activities improved by \$4,249,120. Significant changes include a (\$8,151,234) reduction in capital grants revenue, an increase of \$1,478,175 in highways and streets and a \$1,840,213 increase in the parks and recreation expenses.

Net position for the business-type activities improved by \$5,626,589. Significant changes include a \$2,911,564 reduction in capital grant revenues.

The outstanding bonds at year-end bonds payable is \$24,440,440. The City also has outstanding notes payable of \$11,257,815 to be paid back with impact fees only if collected.

## BREAKING DOWN NET POSITION

The largest portion of the City's net position reflects its investment in capital assets, less any related outstanding debt. Capital assets are things like roads and sidewalks; and as such, they can't be spent like cash.

Unrestricted net position may be used to meet the City's ongoing obligations to residents and creditors. Much of this amount, though, not legally restricted, has been assigned by the council to meet obligations.

Restricted net position represents cash, or cash like assets that are legally restricted for specific purposes such as impact fees or taxes collected for B&C roads (gas tax).

## TOTAL PRIMARY GOVERNMENT NET POSITION

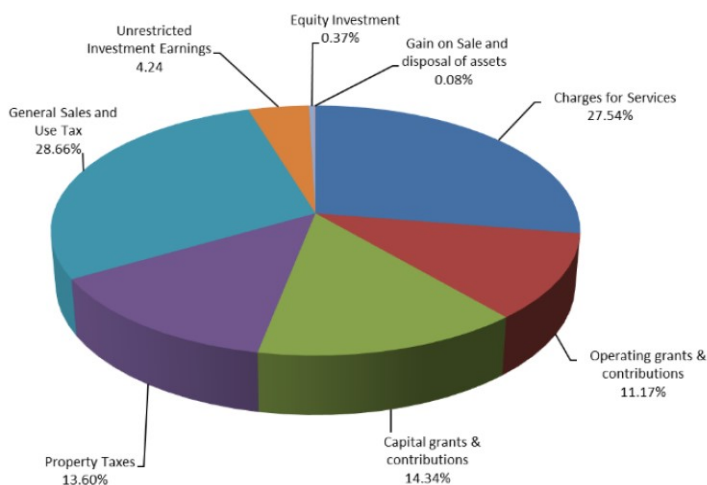


### NET POSITION:

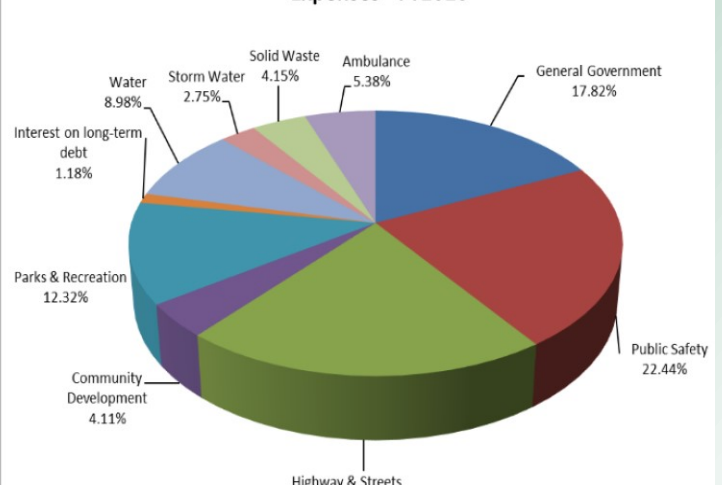
Represents all of Draper's assets and liabilities, with the difference between the two reported as net position. An increase or decrease over time may be used as an indicator of whether the financial condition of the City is improving or declining.



Total Government-Wide Revenues - FY2020



Total Government-Wide Expenses - FY2020



## GENERAL FUND HIGHLIGHTS:

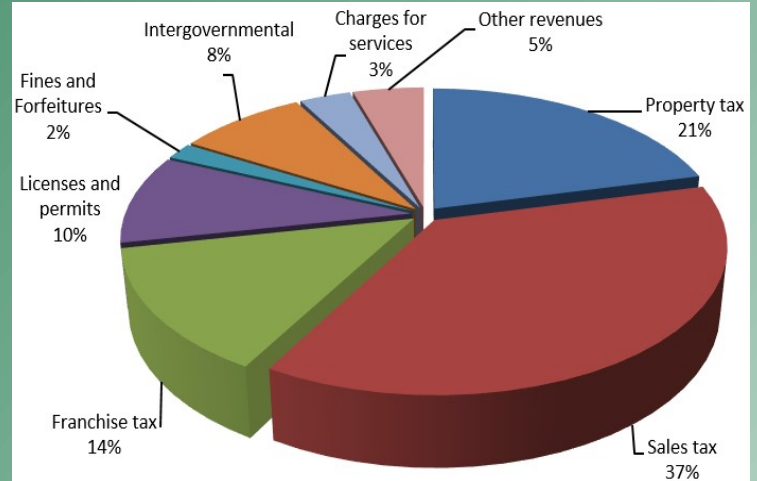
General fund revenues before any transfers or sale of asset revenue was \$38,519,858. This is an increase of \$967,067 or 2.58% over the prior year. Revenues from taxes continued to be the largest source of revenue which accounted for \$27,663,300 or 71.82%. The most notable change from FY19 to FY20 is the revenues from the new local sales tax option for transportation use. These funds are restricted to transportation uses and came in at \$1,329,808.

Expenditures in the general fund were \$31,213,135 before transfers or bond payments. All departments within the general fund came in under budget. The excess between these revenues and expenditures was \$7,306,723. The net change for all transfers, bond payments and sale of capital assets was (\$6,311,776) resulting in a net change in fund balance of \$994,947.

The ending unassigned fund balance is \$13,936,253 which can be used for any purpose. As a matter of fiscal prudence, the majority of the unassigned fund balance will be preserved to cover emergencies or future revenue shortfalls.

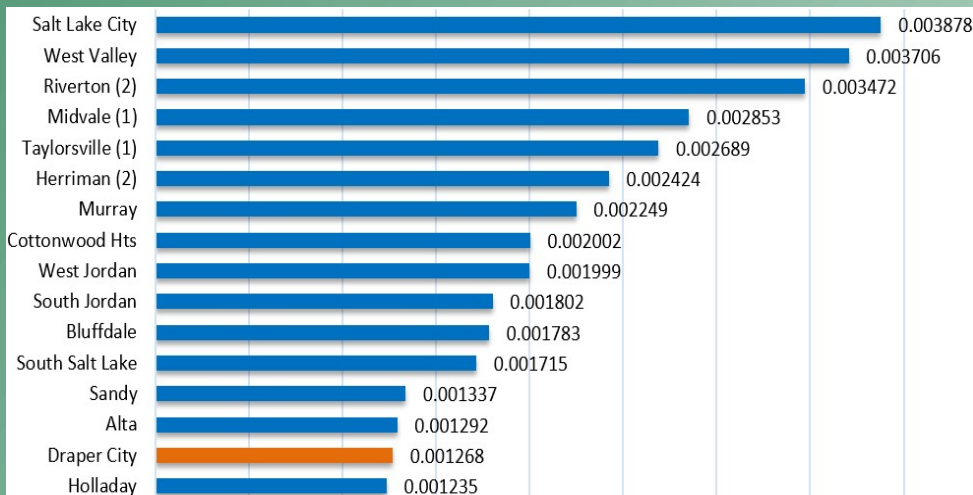
### REVENUES BY SOURCE

	FY19	FY20
Property tax	\$7,939,405	\$8,145,862
Sales tax	13,450,317	14,255,962
Franchise tax	5,269,126	5,261,476
Licenses and permits	4,832,300	3,783,877
Fines and forfeitures	826,774	708,741
Intergovernmental	2,027,411	3,248,329
Charges for services	1,625,856	1,304,299
Other revenues	1,581,573	1,811,312
<b>Total</b>	<b>\$37,552,762</b>	<b>\$38,519,858</b>



### PROPERTY TAX RATES FOR 2019

The following tax rate provided funding for the services provided during fiscal year 2019 -2020. The rates for Draper have dropped over the last several years as home values have increased. Historically, increases to the property tax collected is a result of new growth in both residential and commercial property, as property tax rates



(1) Includes taxes for fire services.

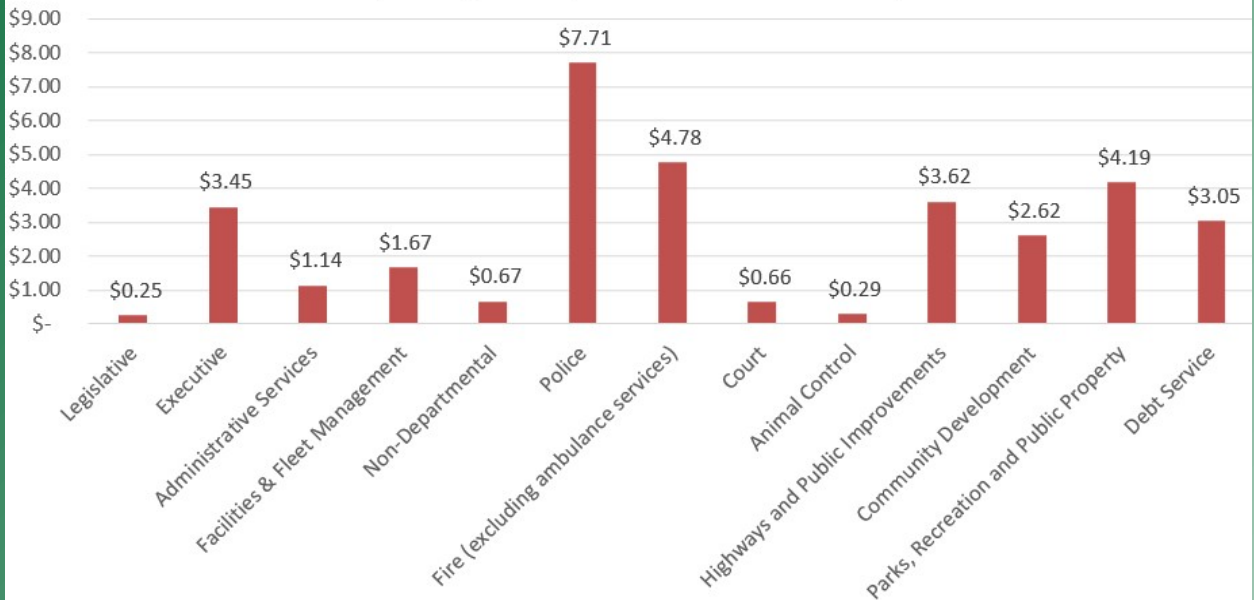
(2) Includes taxes for police and fire services.

### REVENUE SUMMARY:

- ◆ Sales tax revenues were the largest tax revenue contributor in FY20, and increased by \$805,645 (or 6.0%) as compared to FY19. Sales taxes are still strong but have been showing signs of leveling off after seeing a few years in a row at 10% growth.
- ◆ Fines and forfeitures decreased by (\$118,033) which is due to fewer citations due to COVID.
- ◆ Building permits decreased (\$1,048,423) or (21.7%). This is due more to FY19 having a very unsustainable year with many new planning projects.
- ◆ B&C Road fund allocation decreased by (\$24,626) due to less fuel purchases and demand during the last quarter.
- ◆ Interest increased \$312,936 to \$1,693,770 earned in FY20. This is due to many funds locked into longer term yields prior to the federal rate reductions.

2018 Median owner-occupied home value was \$510,900.  
 Calculation Notes:  $\$586,700 * .55$  (Taxable Value)  
 $* .001268$  (2019 Draper tax rate) = \$379 /12 \* % of total  
 expenditures. Source: Salt Lake & Utah County

**Draper City's Monthly Portion of the Property Taxes on a Median Valued Owner  
 Occupied Single Family Home - Year Ended June 30, 2020**

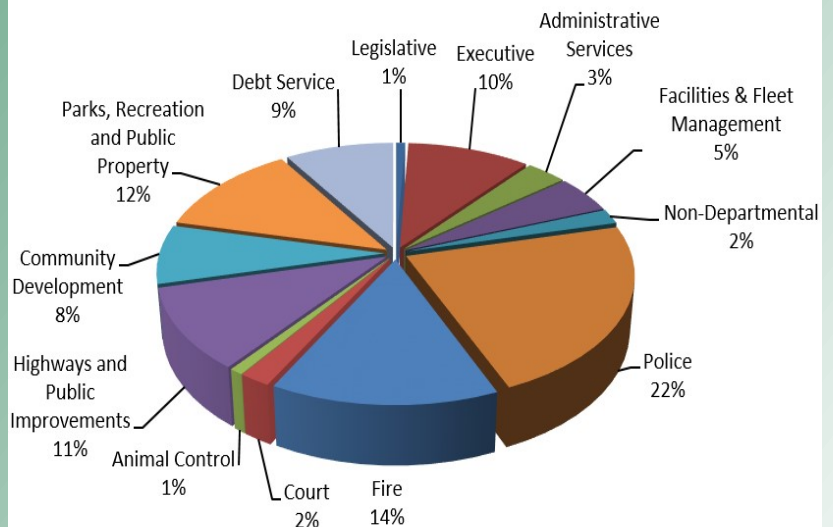


### EXPENDITURE SUMMARY:

- Expenditures had a net increase of \$1,556,119.
- Public safety payroll pay plan adjustments and increased staffing resulted in a \$943,937 increase.
- Highways and public improvements spent \$2,232,857 more in B&C funds alone over FY19 because in FY19 money was collected but not spent in order to "save" up for larger maintenance projects that were done during FY20. The gas tax funds at June 30, 2020 was \$3,045,477.
- Parks and recreation increase \$131,854 or 3.6% over last year.
- Community development expenses increased by \$79,113. Many of the planning cost associated with the FY19 higher revenues are now being processes as building department expenses.

### EXPENDITURES BY FUNCTION

	FY19	FY20
Legislative	\$255,675	\$232,205
Executive	2,762,088	3,161,144
Administrative Services	1,071,526	1,041,626
Facilities & Fleet Management	1,754,529	1,532,810
Non-Departmental	418,684	610,119
Police	6,364,932	7,056,088
Fire (excludes ambulance services)	3,906,803	4,373,858
Court	598,427	601,830
Animal Control	252,800	262,657
Highways and Public Improvements	3,454,408	3,314,515
Community Development	2,317,925	2,397,038
Parks, Recreation and Public Property	3,703,911	3,835,845
Debt Service	2,795,228	2,793,400
<b>Total</b>	<b>\$29,627,016</b>	<b>\$31,213,135</b>





## Operating Revenues by Service

	FY19	FY20
Water Sales	\$5,028,877	\$5,198,470
Storm Water Utility	3,113,077	3,270,980
Sanitation Sales	2,577,409	2,638,524
Water Connection Fees	50,580	73,705
Miscellaneous Income	73,045	65,667
Ambulance Services	1,700,430	1,442,590
<b>Total</b>	<b>\$12,643,418</b>	<b>\$12,689,936</b>

**Storm Water Fund** — Revenues from storm water utility increased \$52,946 (or 1.6%) as compared to the previous fiscal year 2019. Operating expenses increased \$71,351 from \$1,530,497 in FY2019 to \$1,601,848 in FY20. The storm water fund recognized an operating income of \$1,695,873 before non-operating revenues/expenses and before capital contributions. After capital contributions of \$1,114,226 and other non-operating revenue of \$218,329 the storm sewer fund had a positive change in net position of \$3,028,428.

Cash has built up in the fund over the past few years as the City has been able to obtain grants that paid for some of the larger needs and road widening projects. \$1.5M is currently earmarked for a portion of a future public works building.

## Operating Expenses by Service

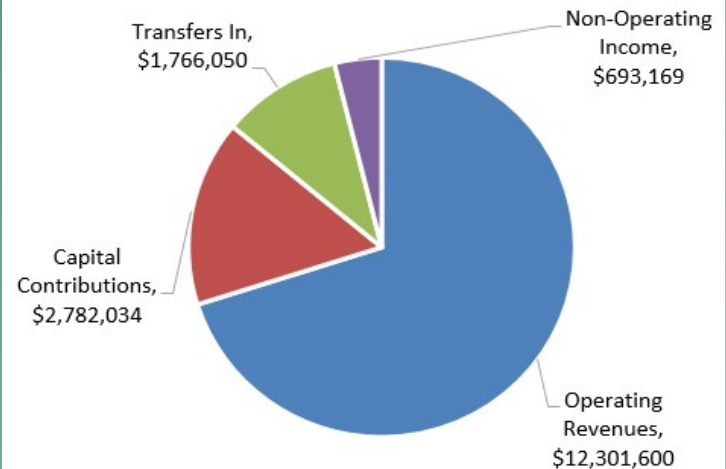
	FY19	FY20
Salaries and Wages	\$3,696,047	\$3,857,601
Utilities	348,813	392,052
Water Charges	2,005,823	2,247,715
Landfill and Sanitation Fees	427,860	448,765
Claims and Insurance	184,500	228,660
Supplies and Repairs	1,033,105	950,979
Administration	1,587,299	1,876,725
Depreciation	2,127,452	2,299,103
<b>Total</b>	<b>\$11,410,899</b>	<b>\$12,301,600</b>

**Solid Waste Fund** — Revenues from solid waste utility fees increased \$55,701 as compared to the previous fiscal year 2019. Fee increases are due to the increase in the number of new accounts as opposed to a rate increase. Operating expenses showed an increase of \$152,286 from \$2,262,816 in FY19 to \$2,415,102 in FY20. The solid waste fund recognized operating income of \$243,642 before non-operating revenues/expenses and before capital contributions. After non-operating revenues (expenses) of \$353,431 the solid waste fund had a positive change in net position of \$597,073. FY20 also saw the introduction of an optional glass recycling program.

**Water Fund** — Operating revenues from water activities increased \$195,711 as compared to FY19. Operating expenses showed an increase of \$607,699 from \$4,588,127 in FY2019 to \$5,195,826 in FY2020. The water fund recognized \$95,055 operating income before non-operating revenues/expenses and before capital contributions/transfers. The water fund posted a positive change in net position of \$1,667,808.

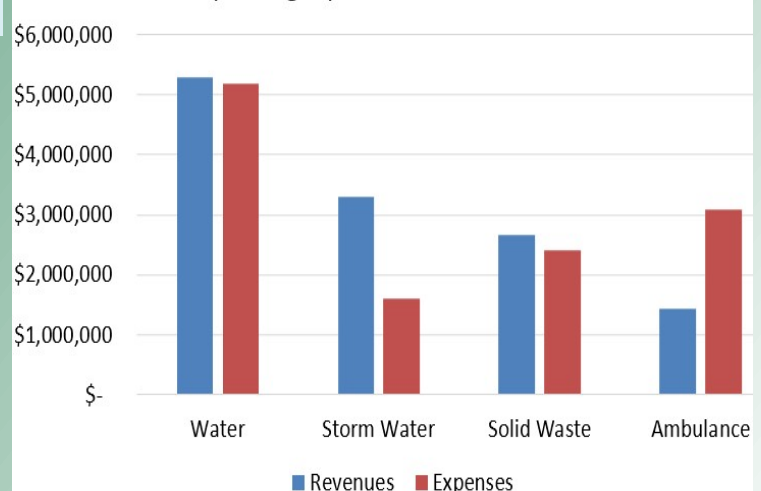
The most significant change in FY20 over FY19 was the increase in capital contributions of \$291,753 to bring contributions up to \$1,667,808. Most of these are water systems installed for new subdivisions and do not represent a cash increase to the fund.

Revenues by Source FY20



**Ambulance Fund** — Revenues from charges for services was \$1,442,590 which is (\$257,840) less than FY19. This was a result of fewer elective transports during the year. The ambulance fund recognized a loss in operating income of \$1,646,234 before non-operating revenues/expenses and before capital contributions. The loss for the prior year was \$1,329,029. The general fund transferred \$1,766,050 to assist in offsetting the cost to administer medical services. The FY19 transfer was \$1,205,690. It is anticipated that the general fund will need to continue to make annual transfers in order to support this service or support other alternatives so that the fund is balanced.

Operating Expenses and Revenues FY20





## PERFORMANCE MEASURES AND STATISTICS

Fiscal Year	FY18	FY19	FY20
<b>Police</b>			
Calls for service – through dispatch	25,011	26,823	26,729
Calls for service - officer initiated	5,461	6,423	8,343
Citations written	4,395	5,233	2,656
<b>Fire</b>			
Medical Calls	2,890	2,895	2,871
Fire Calls	832	798	763
Ambulance Transports	N/a	N/a	1,573
<b>Community Development</b>			
Building permits issued	1,337	1,692	1,784
<b>Streets</b>			
Snow plow hours	2,457	4,955	4,955
Tons of salt	4,505	9,538	9,538
Gallons of brine spread	N/a	50,599	78,868
<b>Economic Development</b>			
Business licenses issued	1,923	1,792	1,329
Build permits issued	1,337	1,692	1,784
<b>Garbage &amp; Recycling</b>			
Number of customers	10,314	10,522	10,633
Total annual waste in tons	17,749	17,054	17,717
Total annual recycle in tons	2,201	1,889	1,813
<b>Water</b>			
Number of customers	4,062	4,168	4,302
Average daily use per household (gal)	809	811	846
<b>Parks and Recreation</b>			
Program registrations processed	5,017	5,775	5,325
Recreation participants	6,789	7,656	5,402
Park Reservations processed	2,036	2,474	1,720
Total parks	44	44	45
Total trails (in miles)	116	122	124

## RECENT ACCOMPLISHMENTS (PARTIAL LIST)

### Legislative Department:

- ◆ Glass recycling program
- ◆ Jordan river trail connecting bridge
- ◆ Idle-free resolution to reduce emissions

### Executive Department:

- ◆ E/V charging stations installed
- ◆ General plan completed
- ◆ COVID-19 safety changes implemented

### Police Department:

- ◆ 719 arrest; only 22 included used of force
- ◆ Participated in over 18 community events
- ◆ Implemented a new records management and CAD dispatch system.

### Fire Department:

- ◆ Implemented the new First Due and Community Connect programs for pre-planning and response
- ◆ Participated in 4 Wildland Deployments: 3 to California and 1 in-state
- ◆ Began a comprehensive strategic plan

### Public Work Dept.—Engineering Division:

- ◆ 13800 S widening from 300 E to Fort Street
- ◆ 11950 S connector road
- ◆ 2019 master transportation plan
- ◆ 14000 S/Bangerter Pkwy signal

### Public Works Dept.—Street Division:

- ◆ 384 street signs repaired or replaced
- ◆ 207 tons of asphalt road repairs
- ◆ 870 feet of sidewalk and curb replacement
- ◆ 500 feet of sidewalk grinding trip hazard completed

### Parks & Rec. Department: Recreation Division:

- ◆ Completed two new baseball fields at Galena Park to create a 4-plex to allow large scale tournaments
- ◆ #1 Top program as presented by the Utah Jazz for the largest (most participants) Youth Jr. Jazz basketball league for our class of city+
- ◆ During the COVID pandemic programs and events held followed CDC guidelines.

### Parks & Rec. Department: Trails Division:

- ◆ Added hiking and equestrian only trails: Lupine, Jungle, extension of Hoof N Boot and Coyote footpaths
- ◆ Added multi-use: Fango trail extension, Limelight, realigned Maple Hollow downhill and Rattle N Hum
- ◆ 4,800 volunteer hours logged

### APPOINTED POSITION

### NAME

CITY MANAGER	DAVID DOBBINS
ASSISTANT CITY MANAGER	RUSSELL FOX
CITY ATTORNEY	MICHAEL BARKER
CITY RECORDER	LAURA OSCARSON
CITY TREASURER	LOURDES RAMOS
COMMUNITY DEVELOPMENT DIRECTOR	CHRISTINA OLIVER
FINANCE DIRECTOR	ROBERT WYLIE
FIRE CHIEF	CLINT SMITH
HUMAN RESOURCES DIRECTOR	HAZEL DUNSMORE
JUSTICE COURT JUDGE	DANIEL BERTCH
PARK & RECREATION DIRECTOR	RHETT OGDEN
POLICE CHIEF	JOHN EINING
PUBLIC WORKS DIRECTOR/CITY ENGINEER	SCOTT COOLEY

Do you like this report? Would you like to see more information? Please let us know by contacting Jared Zacharias by email at [jared.zacharias@draper.ut.us](mailto:jared.zacharias@draper.ut.us). For more information on our services, visit our website at [www.drapers.ut.us](http://www.drapers.ut.us).



**DRAPER CITY**  
**1020 EAST PIONEER RD.**  
**DRAPER, UT 84020**

**MAIN: (801)576-6500**  
**WWW.DRAPER.UT.US**

**POPULAR ANNUAL FINANCIAL**  
**REPORT (PAFR)**  
**FOR THE FISCAL YEAR ENDING**  
**JUNE 30, 2020**